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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965.

No. 609

OWEN SIEBRING,
Petitioner,

vs.

CHARLES W. HANSEN and AFSCO, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

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Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

The petitioner respectfully requests that this Court grant a writ of certiorari to review the decision of the United States Court of Appeals For the Eighth Circuit entered in this case on June 28, 1965, denying rehearing of its decision previously entered in this case.

OPINIONS BELOW

The consent decree of the United States District Court in the present case was entered on October 19, 1959 (Record, Vol. I, pp. 10, 11), and was not reported; the opinion of the United States District Court entered July 30, 1964 (Record, Vol. I, pp. 57-80), which pertained to a contempt action, is reported at 231 F. Supp. 634. The opinion of the Court of Appeals was entered on June 2, 1965, and is reported at 346 F.2d 474, and is reproduced as Appendix A. A motion by petitioners for a rehearing was overruled by the Court of Appeals on June 28, 1965.

The Record in the Eighth Circuit Court of Appeals was printed in six volumes, with volumes 1 and 2 relating to the various pleadings and the trial transcript, with volumes 4 through 6 relating to various exhibits. Volumes 4 through 6 were produced in limited numbers by order of the Court because of the great printing expense, and extra copies of volumes 4 through 6 are not available for purposes of this Petition.

Petitioner presents herewith a certified copy of all six volumes of the Record below, plus a certified copy of volume 7, which constitutes the proceedings before the Eighth Circuit Court of Appeals. Petitioner also submits herewith nine uncertified copies of volumes 1 and 2 of the Record below. Respondents have been previously served with copies of all six volumes of the Record below.

JURISDICTION

The jurisdiction of the Court is invoked under 28 U.S.C. §1254 (1).

QUESTIONS PRESENTED

The following questions are presented for this Court's determination:

1. Can one who intervenes in an action under Rule 24 of the Federal Rules of Civil Procedure assert defenses which were not available to the original defendant in the suit?

2. Is a judgment in an action against only a single partner *res judicata* to a second partner under Iowa law when the second partner intervenes in a subsequent contempt action against the first partner?

3. Has one who has intervened as a matter of right in an action been denied due process of law under the Fourteenth Amendment of the Constitution by being denied the right to assert the defenses which prompted his intervention?

STATUTES AND CONSTITUTIONAL PROVISIONS INVOLVED

I. Rule 24 (a) and (b) of the Federal Rules of Civil Procedure.

> "(a) Intervention of Right. Upon timely application anyone shall be permitted to intervene in an action: (1) when a statute of the United States confers an unconditional right to intervene; or (2) when the representation of the applicant's interest by existing parties is or may be inadequate and the applicant is or may be bound by a judgment in the action; or (3) when the applicant is so situated as to be adversely affected by a distribution or other disposition of property which is in the custody or subject to the control or disposition

of the court or an officer thereof. As amended Dec. 27, 1946, eff. March 19, 1948."

"(b) Permissive Intervention. Upon timely application anyone may be permitted to intervene in an action: (1) when a statute of the United States confers a conditional right to intervene; or (2) when an applicant's claim or defense and the main action have a question of law or fact in common. When a party to an action relies for ground of claim or defense upon any statute or executive order administered by a federal or state governmental officer or agency or upon any regulation, order, requirement or agreement issued or made pursuant to the statute or executive order, the officer or agency upon timely application may be permitted to intervene in the action. In exercising its discretion the court shall consider whether the intervention will unduly delay or prejudice the adjudication of the rights of the original parties. As amended Dec. 27, 1946, eff. March 19, 1948."

II. The Fourteenth Amendment to the United States Constitution, Section 1.

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

STATEMENT OF THE CASE

Claude Siebring was sued in his individual capacity on February 12, 1959, for infringing United States Patent No. 2,867,314 on a cattle bunk feeder. At that time and since, Claude Siebring was a business partner with his son, Owen, in the Siebring Manufacturing Company of George, Iowa, and Owen or the partnership were not parties defendant to this infringement action.

On October 19, 1959, a consent decree was entered against Claude Siebring, said decree (Record, Vol. I, p. 10) asserting that the patent was valid and that the patentee, Hansen, was the sole inventor of the subject matter of the patent.

On February 1, 1962, Claude Siebring was cited for contempt of the decree because of the continued manufacture of certain cattle bunk feeders deemed by the plaintiff to still infringe the patent in question in violation of the decree.

On May 11, 1962, Owen Siebring sought to intervene in the contempt action (Record, Vol, I, p. 36) asserting that he was a joint inventor of the patent in question, and asserting further that he would be adversely affected by a distribution or disposition of the property subject to the control of the Court, and that he had a claim or defense which was common to the main action in law and fact. Intervenor's Answer (Record, Vol. I, pp. 36-44) alleged both the defenses of joint inventorship and invalidity of the patent. Owen Siebring was permitted to intervene as a matter of right by order of the District Court on March 6, 1963 (Record, Vol. I, p. 44 and p. 48).

The District Court limited the contempt hearing to the question of infringement, and found both Claude and Owen Siebring in contempt, and granted an accounting for dam-

ages, and awarded plaintiffs costs and reasonable attorneys' fees (Record, Vol. I, p. 80). In response to petitioner's subsequent motion under Rule 60, the District Court stated (Record, Vol. I, p. 85) that Owen Siebring was allowed to intervene because he could be jointly liable if contempt was found, but that intervention for this purpose did not require or permit the question of the validity of the patent to be raised.

On appeal, the Court of Appeals for the Eighth Circuit affirmed the judgment of the District Court and held that the intervenor, Owen Siebring, could not invoke his defenses of joint inventorship or patent invalidity.

The District Court had jurisdiction of this controversy under 28 U.S.C. 1338(a).

REASONS RELIED UPON FOR ISSUANCE OF THE WRIT

1. The Effect of the Decision of the Court of Appeals Is That an Intervenor "As a Consequence of the Intervention," Is Required to Accept the Limitations of Defense That the Consent Decree Imposed on the Original Defendant.

The Court of Appeals found (A6) that Owen Siebring was bound by the original decree, and hence could not raise the defenses of invalidity and joint inventorship which were raised in his answer. However, the Court went even further and stated (A6):

> "But it is not necessary to rest our conclusion on that basis."

The Court then went on to explain the further basis upon which the intervenor, Owen Siebring, could not raise the defenses of his answer (A6-A7):

> "We subscribe to the trial court's conclusion and *observe further* that *as a consequence of the intervention* Owen was required to recognize and accept the existence of the consent decree. Under the circumstances here presented, he is bound by all orders and decrees in the original action." (Emphasis supplied.)

This finding of the court means that an intervenor, "as a consequence of the intervention," cannot raise a defense that is unavailable (by reason of *res judicata* or whatever) by the original defendant. This cuts at the very heart of the rule for intervention, for the very substance of Rule 24 of the Federal Rules of Civil Procedure is to permit a third party to intervene as a matter of right when he "may be bound by a judgment in the action," [Rule 24 a (2)]; or when he is so situated to be adversely affected by disposition of property subject to the control of the court [Rule 24 a (3)]; and having intervened, to assert those defenses which would protect those rights contemplated by Rule 24.

Owen Siebring is in the paradoxical position of having been permitted as a matter of right to intervene to protect his interests, but having intervened, was not permitted to assert the defenses in support of his rights. If this interpretation of the status of an intervenor, "as a consequence of his intervention," is to exist, it will substantially dilute the intended purpose of Rule 24, and will confine the intervenor only to those defenses which he finds, upon intervention, that the original defendant is permitted to raise.

A. The Circuit Court's Application of Rule 24 of the Federal Rules of Civil Procedure Will Have a Widespread Effect on Federal Law; It Has Decided an Important Question of Federal Law Which Has Not Been, But Should Be, Settled by This Court; and Has Departed from the Accepted and Usual Course of Judicial Proceedings.

If an intervenor, "as a consequence of the intervention" is unable to assert defenses that the original defendant either does not have, or cannot assert, a widespread impact on this federal question will have been wrought, and the real purpose of Rule 24 will have been diluted. Moreover, this application of Rule 24 has departed from the usual course of judicial proceedings. In *Formulabs, Inc. v. Hartley Pen Company et al.*, 275 F.2d 52 (9 Cir. 1960), the Hartley Pen Company was licensed under a trade secret for making ink by Formulabs, Inc., and Hartley subsequently became engaged in a warranty controversy with E. I. du Pont de Nemours & Company over some allegedly faulty ingredients which were sold to Hartley for use in the making of ink. Du Pont insisted upon obtaining the trade secret for the ink from Hartley through discovery procedures, and Formulabs was permitted to intervene to protect its property right in the trade secret, a property right which Hartley did not possess and could not assert.

This decision reflects the general law that an intervenor of right can assert any relevant defense to protect whatever property right he has which may be involved in the controversy under consideration. The Federal Courts have been liberal in not restricting the defenses that an intervenor can assert after it has been determined that he can intervene, and the great weight of authority will permit an intervenor to even file a counterclaim whether the intervention is by right or permissive, or whether the counterclaim is compulsory or permissive. *Federal Practice and*

Procedure, Barron and Holtzoff, Vol. 2, §603.1, p. 408; *U. S.* v. *Martin,* 267 F.2d 764, (10 Cir. 1959); *Lenz* v. *Wagner,* 240 F.2d 666, (5 Cir. 1957); *Northeast Clackamas County Elec. Coop Inc.* v. *Continental Casualty Co.,* 221 F.2d 329 (9 Cir. 1955); *Switzer Bros.* v. *Locklin,* 207 F.2d 483 (7 Cir. 1953).

The Supreme Court has not ruled on the specific question as to what limitations, if any, should be imposed on the available defenses of one who intervenes in an action as a matter of right. The Eighth Circuit Court of Appeals has ruled on this question, and has substantially departed from the accepted and usual course of judicial proceedings, as reflected by the *Formulabs, Inc.* case (*supra*). Because of the far reaching affect that the decision of the Eighth Circuit Court of Appeals will have on the application of Rule 24, it is submitted that this Court should review this decision for its great importance to a question of Federal Law.

2. The Conclusion of the Court of Appeals That the Consent Decree Was Res Adjudicata to Owen Siebring Was Contrary to Iowa Common Law.

The Court of Appeals also held that Owen Siebring was prevented, after intervening, from raising the defenses of invalidity and joint inventorship for these matters were disposed of by the consent decree, and the Court held this decree to be *res judicata* against Owen Siebring by virtue of his partnership relation with the single original defendant, Claude Siebring.

This conclusion is contrary to the principles set forth by the Iowa Supreme Court and other judicial bodies who conclude that a judgment against a partnership in Iowa is not a judgment against the individual partners. *Anderson* v. *Wilson,* 142 Iowa 158, 120 N.W. 677, (1909).

In *Draisner* v. *Liss Realty Co.*, 228 F.2d 48 (C.C.A. D.C. 1955), where one partner, Draisner, was a defendant, the Court stated (Page 50 of 228 F.2d):

> "Draisner's partners would not be bound by a judgment rendered in a proceeding to which they were not partners."

Parties as between whom the judgment is claimed to be an estoppel must have been parties to the action in which it was rendered, in the same capacities and in the same antagonistic relation, or else they must be in privity with the parties in such former action.

Clark v. *E. C. Schroeder Co.*, 73 F. Supp. 1007, affd. 167 F.2d 739, cert. den. 69 S. Ct. 33, 335 U.S. 815.
In re Richardson's Estate, 250 Iowa 275, 93 N.W.2d 777.
Kunkel v. *Eastern Iowa Light & Power Co.*, 232 Iowa 649, 5 NW.2d 899.
50 *C.J.S.*, Judgments, §763.

Mere notice of the action to one not in privity with, or bound to indemnify, any of the parties, coupled with the fact that he might have been allowed to intervene if he had chosen to do so, does not make him a party to the judgment.

Gratiot County State Bank v. *Johnson*, 39 S. Ct. 263, 249 U.S. 246.
50 *C.J.S.*, Judgments, §763.

There was no privity between intervenor Owen Siebring and the original defendant, Claude Siebring, as that term is contemplated by the law, for privity is defined as a mutual or successive relationship to the same rights of property which arose subsequent to the judgment relied upon as the bar. This is the definition most often fol-

lowed, not only in the Federal Courts, but also in the State of Iowa.

National Lead Co. v. *Nulsen,* 131 F.2d 51 (C.C.A. 8, 1943).

Weede v. *Bechtel,* 31 N.W.2d 853, 239 Iowa 1298, cert. den. 69 S. Ct. 1161, 337 U.S. 918.

As stated in 50 C.J.S., Judgments, §788:

> "It has been held that all persons are privies to a judgment who succeed to the estate, interest, or rights of property thereby adjudicated or affected where such succession was derived through or under one or other of the parties to the action, and accrued subsequent to the commencement of that suit or subsequent to the rendition of judgment; and one is not a privy to a judgment where his succession to the rights of property thereby affected occurred previous to the institution of the suit."

See *National Lead Co.* v. *Nulsen (supra)*; *Hawkeye Life Ins. Co.* v. *Valley-Des Moines Co.,* 260 N.W. 699, 220 Iowa 556. See also *In re Richardson's Estate,* 250 Iowa 275, 93 N.W.2d 777, where two grantors who acquired notes long prior to date of the action, were held not to be in privity.

Except in states having special statutes affecting rights of partners and partnerships, the rule is that a judgment against a partnership is not a judgment against the individuals who comprise it. As stated in 50 C.J.S., Judgments, §806:

> "A judgment against a partnership as such is not a judgment against the individuals who comprise it. * * * and it has been held that a judgment against a partnership is binding on a member thereof, except where the judgment against the firm was taken on service of his copartner alone, or was confessed or consented to by a copartner without his express authority."

> "A partner not cited is not concluded by a judgment against another partner. Also, a partnership is not bound by a judgment against a member of the firm in a suit to which it was not a party."

Thus, the Court of Appeals has decided an important state question in a way in conflict with applicable state law, and has departed from the accepted and usual course of judicial proceedings, and petitioner seeks certiorari for review of this decision which has erroneously held that the partner, Owen Siebring, was bound by the terms of a consent decree in an action involving only his father, Claude Siebring, this conclusion being contrary to principles adopted by the Iowa Supreme Court and other judicial bodies.

3. The Intervenor, Owen Siebring, Who Was Held in Contempt, Has Been Denied Due Process of Law by Being Denied the Right to Assert the Defenses of Joint Inventorship and Patent Invalidity.

It is petitioners' belief that this is a case of first impression in that this Court has not previously had cause to rule on whether or not the question of due process of law is involved in a patent case where the defenses of invalidity and joint inventorship have been asserted and then precluded.

The intervenor, Owen Siebring, was not allowed to present to the District Court the defenses he had in resistance to the contempt action. In a case involving the alleged contempt of an attorney, this Court held in *Cooke* v. *United States*, 267 U.S. 517, 45 S. Ct. 390, 395, 69 L. Ed. 767:

> "Due process of law, therefore, in the prosecution of contempt, except of that committed in open court, requires that the accused should be advised of the charges and

> have a reasonable opportunity to meet them by way of defense or explanation. We think this includes the assistance of counsel, if requested, and the right to call witnesses to give testimony, relevant either to the issue of complete exculpation or in extenuation of the offense and in mitigation of the penalty to be imposed. See Hollingsworth v. Duane, 12 Fed. Cas. 359, 360; In re Stewart, 118 La. 827; 43 So. 455; Ex Parte Clark, 208 Mo. 121, 106 S.W. 990; 15 L.R.A. (N.S.) 389."

See the same rule followed in *Hunter* v. *State*, 37 So.2d 276, 251 Ala. 11.

As indicated above, unless Owen Siebring was estopped to raise these defenses by the theory of *res judicata*, he was denied due process of law by being held in contempt without being able, in the language of the *Cooke* case, *supra*, to submit evidence "relevant either to the issue of complete exculpation or extenuation of the offense and in mitigation of the penalty imposed."

The doctrine of *res judicata* does not preclude the application of the due process clause in this matter, for *res judicata* cannot be held to apply to Owen Siebring, who was not a party to the consent decree. The reasoning of the Court on this specific question in *Heaton* v. *Southern Ry. Co.*, 119 F. Supp. 658 (D.C. So. Car. 1954), where a truck driver sought damages from a railroad company for injuries sustained in a crossing accident after the railroad company had previously sought recovery for damages from the driver's employer, is most applicable to the case at bar. The District Court made these very pertinent comments, at page 661 of 119 F. Supp.:

> "It is elementary and fundamental that every individual is entitled to his own day in court in which to assert his own rights and to defend against their infringement. The requirements of due process of law forbid the assertion of the pleas of *res judicata*

against a party unless he was bound by the earlier litigation in which the matter was decided. He is bound by that litigation only if he was a party thereto or in privity with a party thereto. The plaintiff in this case was not a party to the action brought by the Southern Railway Company against Malone Freight Lines. He is not in privity with any party in that action or in the sense that his rights there are derived from anyone who was a party in that action. His cause of action is and always has been his own. It is in no way derived from his employer Malone Freight Lines, who was a party in the action brought against it by the Southern Railway Company. The relation of employer and employee in and of itself does not confer upon the employer any power to represent or to bind the employee in any litigation. That the plaintiff testified as a witness in the former action is immaterial. He had no control over the conduct of the trial. He was not represented by counsel. His interest was not legally represented at the trial. Malone Freight Lines, the defendant in the previous action could not cross-examine opposing withesses. The present plaintiff had no authority as to what witnesses should be summoned or what witnesses should be put upon the witness-stand. It appears from the record that the present plaintiff has two witnesses to the accident who will testify in his behalf when the case is called for trial, who did not testify in the previous trial. The plaintiff has had no previous opportunity to prove his case. There is no privity between plaintiff and his employer that makes their interests identical in this action. The present plaintiff was not vouched or given notice and opportunity to defend in the previous litigation. The essential elements of an estoppel by judgment are lacking. It follows, therefore, that the former adjudication is not a defense to this action."

Owen Siebring was not bound by a consent decree agreed to by his partner and father, Claude Siebring, wherein it was determined that Owen was not a joint inventor and

the patent in question was invalid; and if Owen was to be bound by the contempt proceeding as stated by the District Court (Record, Vol. I, page 48), then Owen was entitled by due process of law to raise these defenses that would be "relevant to the issue of complete exculpation or in extenuation of the offense and in mitigation of the penalty to be imposed." (*Cooke* v. *United States, supra*).

CONCLUSION

For the reasons stated, this Court should review the decision of the Court of Appeals, and this petition should therefore be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

No. 17,814

Claude Siebring d/b/a Siebring Manufacturing Company, and Owen Siebring,

Appellants,

v.

Charles W. Hansen and AFSCO, Inc.,

Appellees.

Appeal from the United States District Court for the Northern District of Iowa.

[June 2, 1965.]

Before MATTHES and BLACKMUN, Circuit Judges, and REGISTER, District Judge.

MATTHES, Circuit Judge.

This is a civil contempt proceeding in which the trial court, Honorable William C. Hanson, found Claude Siebring and Owen Siebring in contempt on the ground that they had continued to infringe a patent subsequent to and in violation

of a previous court decree.[1] The basic question presented here is whether the court committed error in holding the Siebrings in contempt. The issue of infringement was also injected in the trial and it too was determined adversely to the Siebrings. The judgment of the court in this regard is also challenged by appellant.

The court's memorandum opinion which constitutes its findings of fact, conclusions of law, and order for the judgment, is reported at 231 F.Supp. 634. As an examination thereof will disclose, the court exhaustively reviewed the pertinent facts, stated the contentions of the parties, analyzed the issues, and declared and applied what it regarded to be the applicable and controlling legal principles. The thoroughness of the court's factual analysis obviates the necessity of another full recital of the pertinent evidence.

The background facts and the prior court proceedings are important. Charles W. Hansen, one of the moving parties below and an appellee here, procured patent 2,867,314 relating to an improved bunk feeder on January 6, 1959.[2] Claude Siebring, doing business as Siebring Manufacturing Company, manufactured and sold bunk feeders prior to the issuance of the Hansen patent. A patent infringement suit was filed by Hansen against Claude Siebring, d/b/a Siebring Manufacturing Company, in the United States District Court for the Northern District of Iowa, and on October 19, 1959, a consent decree was entered in that action. The decree em-

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1. Formal suggestion has been made and filed that Claude Siebring, father of Owen Siebring, died subsequent to the rendition of the judgment appealed from. Although this proceeding was initiated solely against Claude Siebring. Owen was permitted to intervene and the judgment is against both. Owen remains as the sole appellant. Hereinafter the alleged offending parties will be referred to as Siebring or Siebring Manufacturing Company.

2. Charles W. Hansen assigned his rights in the patent April 3, 1962, to AFSCO, Inc., a corporation, and during the trial the corporation was added as a party plaintiff.

bodied the essential elements of the written agreement the parties had entered into for the purpose of amicably settling their differences. Inasmuch as the trial court's opinion recites in full the court decree, Id. at 637, 638, a summary thereof should suffice for the purposes of this opinion. It decreed that patenet 2,867,314 owned by Hansen "is good and valid in law"; that defendant (Claude Siebring) has infringed upon patent 2,867,314 by manuracturing and/or selling subsequent to issue date of the patent bunk feeders coming within the scope of the claims of the Hansen patent; that defendant "his heirs, employees, associates, servants, privies" etc., shall be permanently enjoined and forever restrained from manufacturing and/or selling devices which constitute an infringement of Hansen's patent; and that the injunction shall not restrain "defendant or those in consort with him" from manufacturing and/or selling devices which do not come within the scope of the claims of the Hansen patent. Pursuant to the consent decree, a writ of injunction was duly issued.

The present proceeding was instituted on February 1, 1962, by the filing of a motion for contempt in which it was alleged that defendant has "wrongfully and contumaciously continued to manufacture and sell devices which constitute an infringement of plaintiff's said Patent 2,867,314 since the issue of and in violation of the beforesaid Writ of Permanent Injunction." A show cause order was issued. Thereafter, Owen Siebring, who was a partner with his father in the business, was permitted to intervene, resistances to the motion for contempt were filed and thereby the issues were made up and framed.

The trial court correctly stated, Id. at 640, that the question as to contempt was whether "the defendants' machines sold after the Consent Decree and Injunction contained merely colorable changes from the Exhibit 8 type

machine which was the subject of the Consent Decree and Injunction." Although entertaining the view that the question whether the post-decree machines manufactured and sold by defendants also infringed upon appellees' protected machine was not an issue in the case, the court, at the insistence of the Siebrings and because of the plenary hearing, in which the scope of the evidence was all-encompassing, also considered and resolved the infringement question.

We are satisfied that the crucial and decisive trial issue was not burdened with undue and unusual complications. The rather simple question was whether the bunk feeders manufactured and sold by the Siebrings subsequent to the decree were mere colorable imitations of the feeders which were encompassed within the consent decree. However, astute and ingenious counsel for appellant persisted in seeking to attack the validity of the Hansen patent and to convert the hearing into a full-scale patent infringement contest.

The legal principles which are ordinarily applicable and serve as guidelines in contempt proceedings are well settled.

Courts are empowered by the provisions of Title 35 U.S.C.A. §283, to grant injunctions to prevent the violation of any right secured by patent. And one who violates an injunction restraining him from infringing upon a patent may be held in contempt. 18 U.S.C.A. §401; *Hopp Press, Inc.* v. *Joseph Freeman & Co., Inc.*, 323 F.2d 636 (2 Cir. 1963); *Wire Rope Appliance Co.* v. *Eureka Tool Co.*, 256 F. 677 (D.Ct. Kans.), affirmed 265 F. 673 (8 Cir. 1920); *American Foundry & Mfg. Co.* v. *Josam Mfg. Co.*, 79 F.2d 116 (8 Cir. 1935). In a contempt proceeding for alleged violation of an injunction entered pursuant to a consent decree in the original action, the validity of patent claims is not in issue. *T. L. Smith Co.* v. *Cement Tile Machinery Co.*, 257 F. 423 (8 Cir. 1919), cert. denied 250 U.S. 669 (1919); *D. E. Stearns*

Company v. *Brashear*, 145 F.Supp. 735 (W.D. Mo. 1956); *Kiwi Coders Corporation* v. *Acro Tool & Die Works*, 250 F.2d 562 (7 Cir. 1957); *Wire Rope Appliance Co.* v. *Eureka Tool Co.*, supra; *Wadsworth Electric Mfg. Co.* v. *Westinghouse Electric & Mfg. Co.*, 71 F.2d 850 (6 Cir. 1934), cert. denied 284 U.S. 650 (1931); *Hopp Press, Inc.* v. *Joseph Freeman & Co., Inc.*, supra, where the court succinctly stated, 323 F.2d at 637: "The validity of the patent is not before the court, for the consent decree made that question *res judicata* for the purposes of this appeal." (Citing cases). A consent decree is a judicial act, *United States* v. *Swift & Co.*, 286 U.S. 106, 114, 115 (1932), and possesses the same force and character as a judgment rendered following a contested trial. *Kiwi Coders Corporation* v. *Acro Tool & Die Works*, supra.

A contempt proceeding for violation of a patent infringement injunction will lie where the new and alleged offending device is merely "colorably" different from the enjoined device or from the patent. In *American Foundry & Mfg. Co.* v. *Josam Mfg. Co.*, supra, this Court held, 79 F.2d at 117:

> "As will be hereinafter shown, all subsequent constructions by a convicted infringer are not triable in contempt proceedings. Only where such constructions are merely 'colorably' different from the enjoined device or from the patent is the issue so triable. Such constructions may turn out to be infringements, but if they are more than 'colorably' different, the issue of infringement must be otherwise determined than by a contempt proceeding. Therefore, when the issue of infringement is presented in a contempt proceeding, the court must first determine whether it can properly entertain the issue in that proceeding."

See also 3 Walker on Patents, Sec. 818 (Deller's Edition 1937), and compare *Wadsworth Electric Mfg. Co.* v. *West-*

inghouse Electric & Mfg. Co., supra; *Baltz* v. *Walgreen*, 198 F. Supp. 22 (W.D. Tenn. 1961).

Thus, in light of the settled state of the law which delineates the issues that may permissibly be adjudicated in a contempt proceeding, we find no merit in appellant's contention that the court erred in failing to adjudicate the validity of the Hansen patent. That question has been conclusively settled and determined by the consent decree and is res judicata for purposes of this appeal. The argument that Owen Siebring (appellant) is not bound by the consent decree because he was not a party to the agreement and was not restrained by the court's injunction is lacking in substance. The facts are that Owen was a partner with his father in the Siebring business—he was active in its management, he was fully aware of the terms of the agreement forming the foundation for the consent decree, indeed he signed the agreement as a witness to his father's signature, and at all times understood the import of the decree. But it is not necessary to rest our conclusion on that basis. The trial court permitted Owen to intervene in this proceeding, stating:

> "In addition to other submissions in this cause, one Owen Siebring has made a Motion to Intervene. This motion should be granted under Rule 24 because he may be liable if it is determined that Claude Siebring, the partner of Owen Siebring, has been infringing on the patent of the plaintiff. A partnership is liable in an action for infringement committed in the regular course of the partnership business by one or more of the partners. A manager of the partnership is a joint infringer. *Featherstone* v. *Cycle*, 53 Fed. 110; *Trent* v. *Risdon Iron and Locomotive Works*, 102 Fed. 635; *Dean Rubber* v. *Killian*, 106 F. 2d 316 (8th Cir. 1939); *Walker on Patents*, Section 436, Vol. III."

We subscribe to the trial court's conclusion and observe further that as a consequence of the intervention

Owen was required to recognize and accept the existence of the consent decree. Under the circumstances here presented he is bound by all orders and decrees in the original action. See and compare *Commercial Electrical Supply Co.* v. *Curtis*, 288 F. 657, 659 (8 Cir. 1923) cert. denied 263 U.S. 709 (1923); *Rector* v. *United States*, 20 F. 2d 845 (8 Cir. 1927); *Galbreath* v. *Metropolitan Trust Co.*, 134 F. 2d 569, 570 (10 Cir. 1943), and cases cited therein; *Hartley Pen Co.* v. *Lindy Pen Co.*, 16 F.R.D. 141, 153 (S.D. Calif. 1954); 4 Moore, Federal Practice, §24.16, at 120, 121 (2d Ed. 1953).

Appellant also argues that "[t]here can be no doubt that the Court has authority to modify the terms of an injunctive decree," and cites as authority such cases as *United States* v. *Swift & Co.*, 286 U.S. 106 (1932); *System Federation No. 91, Railway Employees' Dept., AFL-CIO*, v. *Wright*, 364 U.S. 642 (1961); *Pope Manufacturing Company* v. *Gormully*, 144 U.S. 224 (1892). We have examined these cases and are not persuaded that the rule for which they stand has any application to the facts of this case.

Contempt Issue.

We turn now to the consideration of the contempt issue. Siebring sought to escape the force of the consent decree and the resulting writ of injunction on the theory that the decree applied only to Siebring's "previously made dropped-holed tubes and not the horizontal-holed tubes." The dropped-holed tubes are portrayed in Exhibit 7, hereinafter referred to as PX 7. This feeder concedely infringed the Hansen patent. The horixontal-holed tubes are shown in Exhibit 8, and will hereinafter be referred to as PX 8. This machine or feeder was also manufactured by Siebring prior to the consent decree but,

as suggested, Siebring contends the decree was not intended to and does not in effect apply to this feeder.

The trial court's opinion, 231 F.Supp. at pp. 638, 639, accurately describes the structure of the Hansen bunk feeder, its features and the functional aspects thereof. By way of resume, this feeder is made up of a feed hopper and an elongated discharge or delivery tube which is mounted on a frame. The tube is in sections with one end connected to the hopper. An auger is disposed within the tube and the turning of the auger causes feed from the hopper to be discharged through longitudinally spaced openings into the feed bunk trough. By means of a tube rotation control lever the entire delivery tube may be adjusted about its axis and the discharge openings in the tube may thereby be lowered as one progresses from the hopper end to the outer end of the tube. The primary function of the feeder is to provide even distribution of feed material in the feed bunk trough.

The trial court found that the only substantial difference between the PX 8 feeder and the Hansen machine was in the arrangement of the discharge holes in the delivery tube sections. In the PX 8 feeder the discharge openings were arranged generally horizontal or parallel to the axis of the tube in each tube section, but the sections of the tubes were manufactured so as to permit them to be assembled—not necessarily with the discharge holes arranged in a straight line, but so that the lowest walls of the discharge openings could be disposed progressively lower from a high point adjacent to the hopper to a low point at the outer end of the tube. Id. at 639.

The record convinces us that the court correctly interpreted the meaning and effect of the consent decree and properly determined that the decree applied to and enjoined the manufacture or sale of the PX 8 type of feeder.

Subsequent to the decree Siebring manufactured or sold four types of bunk feeders. In each of the four different types of feeder the variation from the PX 8 feeder was in the auger designated by Siebring as a "wonder auger." Since they are accurately described in the Court's opinion, Id. at 639, 640, another description thereof is wholly unnecessary. It is sufficient to observe that the evidence clearly demonstrated and the court found that the striking similarity of the post-decree Siebring feeders and the PX 8 model was in the structure of the elongated tubes through which feed material passed and was discharged into the feed trough. The indisputable fact is that the wonder auger feeders were so constructed that the purchasers thereof were, as was true with the PX 8 feeder, enabled, in the assembling of the machines, to place the tubes in such a position that the discharge holes were progressively lowered. The record shows that, with one exception, the feeders were assembled to bring about a progressive lowering of the discharge openings. It was this feature of the wonder auger machines which permitted an even distribution of the feed material, and it was this feature which obviously caused the court to conclude that the alleged offending feeders were not materially different from the enjoined PX 8 feeder.

It is abundantly clear that Judge Hanson carefully and meticulously considered and examined the evidence bearing upon the difference in the structural make-up of the wonder auger types of feeder and the PX 8 feeder. After doing so, he found that the wonder auger machines, with or without the elongated openings, were designed to perform the same purpose as the PX 8 machine and the Hansen feeder; that the function of the wonder auger was not substantially different from the standard auger; and that the principle upon which the wonder auger functioned was substantially or almost identical to the principle upon which

the PX 8 machine functioned. From all of this the court concluded that three types of feeders manufactured and/or sold by Siebring subsequent to the decree and which are described in detail on p. 638 of the court's opinion, constituted mere colorful imitations of the PX 8 type machine and, as a consequence, found that appellant violated the injunction decree.

Having examined the record, the numerous exhibits, including photographs and charts, with care, we have no difficulty in concluding that there is substantial evidence to support the trial court's findings in regard to the contempt issue and that such findings are in accord with established and applicable legal principles.

Infringement Issue. The trial court stated that this issue "was not actually taken up in the contempt proceedings"; nevertheless, the court found "only because the defendants are content that infringement was actually at issue, that the three machines not only were mere colorable imitations of their previously enjoined Exhibit 8 type machine, but that these three machines did infringe the Hansen patent."

Having determined that the trial court properly ruled that the offending Siebring feeders were only colorably different from the enjoined feeders and the Hansen patent, it follows that the three offending feeders hereinabove referred to infringed the Hansen patent. The court was not, on this record, required to adjudicate the infringement issue in this contempt proceeding; however, as we have seen, it was prevailed upon by the Siebrings to do so. The infringement issue was fully explored by the trial court and the conclusion it reached was not only justified but, in our view, is the only result warranted by the facts and the applicable law.

Costs, Disbursements and Attorney Fees Issue. In the formal judgment entered pursuant to its opinion, the court adjudged that "plaintiffs are entitled to their costs and disbursements and reasonable attorneys' fees in this action."

Appellant assigns as error this action of the court. We are told by appellant that in patent infringement cases attorney fees should be awarded only in extraordinary cases bottomed on a finding of unfairness or bad faith. And, of course, appellant insists that this is not such a case. To be sure, the law is clear that in an action for patent infringement attorney fees should not be allowed except in the extraordinary case. The statute so provides, 35 U.S.C.A. §285, as do the cases cited and relied upon by appellant. *Collins* v. *Owen,* 310 F. 2d 884 (8 Cir. 1962); *Rohr Aircraft Corporation* v. *Rubber Teck, Inc.,* 266 F. 2d 613 (9 Cir. 1959); *Park-In-Theatres* v. *Perkins,* 190 F. 2d 137 (9 Cir. 1951), which contains an interesting discussion of the law and the circumstances under which such allowances may properly be granted.

From the argument made by appellant and the authorities relied upon by him, it is apparent that he views this as an ordinary patent infringement action. This position is untenable. As we have tried to demonstrate, this is a civil contempt proceeding growing out of the continued infringement of the Hansen patent in the face of an injunction proscribing such infringement. Unlike numerous infringement cases where the validity of the patent was the crucial question, the validity of the Hansen patent had been judicially determined and is not an issue. The circumstances attending the conduct of appellant and Claude Siebring subsequent to the rendition of the consent decree certainly justify the conclusion that this is an extraordinary case.

There is sound authority to support the allowance of attorney fees, disbursements and costs in contempt actions

growing out of an order enjoining infringement of a patent. 3 Walker on Patents, Secs. 835-837 (Deller's Edition 1937); *Sunbeam Corporation* v. *Golden Rule Appliance Co.* (trademark case, 252 F. 2d 467 (2 Cir. 1958); *Wadsworth Electric Mfg. Co.* v. *Westinghouse Electric & Mfg. Co.*, 71 F. 2d 850 (6 Cir. 1934); *Carter Products, Inc.* v. *Colgate-Palmolive Co.*, 214 F. Supp. 383 (D. Md. 1963), cert. denied 352 U.S. 843 (1956); *Baltz* v. *Walgreen Company*, 198 F. Supp. 22, 26 (W.D. Tenn. 1961). Compare also *Leman* v. *Krentler-Arnold Co.*, 284 U.S. 448 (1932).[3]

Obviously, whether the complaining party is entitled to allowances of the nature of those here under attack depends upon the facts and circumstances of each case. Such allowances are confined to the sound discretion of the trial court, and the appellate court's review is confined to determining whether the court's action resulted from an abuse of judicial discretion. See *Collins* v. *Owen*, 310 F. 2d 884, 888 (8 Cir. 1962). We have reviewed the record in that light and are satisfied that a sound evidentiary basis existed for the allowances complained of. Evidently the court was convinced, as we are, that the Siebrings were not motivated by good faith in their repeated attempts to avoid the sanctions of the consent decree, and the court's injunction.

The judgment is in all respects affirmed.

A true copy.

Attest:

Clerk, U. S. Court of Appeals, Eighth Circuit.

---

3. In *Sunbeam Corporation*, a civil contempt proceeding, the court held, one Judge dissenting, that it was improper to assess a fine against the defendant although such fine was apparently intended to approximate the probable damages. In *Baltz* the District Court held in unequivocal language that a fine was appropriate. That question is not in this case and we pretermit further consideration thereof.

APPENDIX B

Judgment

United States Court of Appeals

FOR THE EIGHTH CIRCUIT

(Filed June 2, 1965)

No. 17,814. September Term, 1964.

Claude Siebring d/b/a Siebring
Manufacturing Company, and
Owen Siebring,
Appellants.

vs.

Charles W. Hansen and Afsco, Inc.

Appeal from the United States District Court for the Northern District of Iowa.

This Cause came on to be heard on the record from the United States District Court for the Northern District of Iowa, and was argued by counsel.

On Consideration Whereof, it is now here ordered and adjudged by this Court, that the judgment of the said District Court, in this cause, be, and the same is hereby, in all respects, affirmed.

June 2, 1965.

Order entered in accordance with Opinion:—

/s/ Robert C. Tucker,
Clerk, U. S. Court of Appeals
for the Eighth Circuit.

Office-Supreme Court, U.S.
FILED
OCT 25 1965
JOHN F. DAVIS, CLERK

In the Supreme Court of the United States

OCTOBER TERM, 1965

No. 609

OWEN SIEBRING

Petitioner

vs.

CHARLES W. HANSEN AND AFSCO, INC.

Respondents

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

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7 Cyclopedia of Federal Procedure, §§24.40-.41 (3d Ed. 1951) 8

In the
Supreme Court of the United States

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Petitioner

vs.

CHARLES W. HANSEN AND AFSCO, INC.

Respondents

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

I.

STATEMENT OF THE CASE

The Hansen patent No. 2,867,314 for an automatic cattle feeder or "bunk feeder" issued on January 6, 1959, and the original infringement suit was instituted on February 12, 1959, against Claude Siebring, d/b/a Siebring Manufacturing Company. The original suit was settled and a consent decree and injunction were entered in October of 1959. Then, the case was reopened in February of 1962 when the motion for contempt was filed. The contempt citation resulted in a holding of contempt and infringement, which was affirmed on appeal, and from which this petition is taken.

Siebring Manufacturing Company was a partnership between Claude Siebring and his son Owen Siebring, and all of the bunk feeders which they produced and sold over the years were produced and sold under the name and style of Siebring Manufacturing Company (RI, p. 134). The son Owen Siebring (petitioner here) was not named a party in the original suit. The father Claude Siebring was at the time of the suit the principal managing agent of the partnership Siebring Manufacturing Company (RI, p. 159). However, the son Owen Siebring actively participated in the suit and was fully familiar with the proceedings leading up to the consent decree and injunction (RI, pp. 134-5).

Owen Siebring, although not a party, participated in discussions leading to the settlement, and appeared and testified at a pre-trial deposition. Further, Owen Siebring signed as a witness the settlement agreement forming the foundation for the consent decree and was fully aware of the terms of the agreement (RI, pp. 134-5). Such settlement agreement provided in part that the plaintiff Hansen was the original and sole inventor of the patent and that the patent was good and valid in law. The settlement agreement further provided that the defendant Claude Siebring, d/b/a Siebring Manufacturing Company, had manufactured and sold devices constituting an infringement of the patent (RI, pp. 11-13). Pursuant to the settlement agreement, the consent decree was filed and a writ of permanent injunction issued strictly enjoining and restraining Claude Siebring, his heirs, employees, associates, servants, privies and those in active consort and participation with him from further infringement (RI, pp. 14-15).

After the settlement of the original action and the entry

of the consent decree and writ of permanent injunction, Siebring Manufacturing Company continued to manufacture and sell bunk feeders which were colorable imitations of and substantially identical to the type of feeders which it was manufacturing and selling at the time of the settlement (346 F. 2d 474, 479, and appendix to petition, pp. A9-A10). The plaintiff's motion for contempt was filed in the District Court on February 1, 1962. Owen Siebring's voluntary intervention as a party defendant was permitted by the court on March 6, 1963, the court stating that Owen Siebring was permitted to intervene as a defendant in the contempt action because he could be jointly liable for plaintiff's damages if contempt was found (RI, p. 48). The court later ruled Owen Siebring's intervention was not permitted for the purpose of relitigating the issue of validity of the patent as already determined by the consent decree (RI, pp. 84-5). The trial of the contempt matter began on March 14, 1963.

U. S. District Judge Hanson, in his opinion reported at 231 F. Supp. 634, held the feeders manufactured and sold by Siebring Manufacturing Company subsequent to the injunction to be colorable imitations and the equivalent of the enjoined feeder. Because of the defendants' insistance, the court also held the defendants' feeders to be infringements of the Hansen patent in the usual sense, as well as a continuation of the infringement specified in the consent decree because of the equivalency of the subsequent feeder to the enjoined feeder of the decree (231 F. Supp. 634, 647).

The question of validity of the Hansen patent was not an issue in the contempt proceeding because of the previous holding of validity in the consent decree, and the de-

fendant Claude Siebring and intervenor Owen Siebring in their post-trial reply brief in the U. S. District Court filed August 30, 1963, admitted on page 18 thereof that the question of validity was not an issue in the contempt hearing (RI, p. 84, 2nd par. of order). Further, the trial court in its decision at 231 F. Supp. 634, 643 stated that the question of validity of the Hansen patent was not an issue in the contempt hearing.

The defendants Claude Siebring and Owen Siebring appealed to the U. S. Court of Appeals for the 8th Circuit, which in its opinion reported at 346 F. 2d 474, affirmed the decision of the United States District Court in all respects. A motion for rehearing by the U. S. Court of Appeals was overruled on June 28, 1965, and the petition for certiorari herein opposed requests a review of the decision denying said petition for rehearing.

II.

NO FEDERAL QUESTION PRESENTED

As will be shown more particularly hereafter, the allegedly erroneous rulings of the U. S. Court of Appeals for the 8th Circuit and the reasons relied upon for the writ by petitioner do not present a federal question which may be reviewed by this Court within the jurisdiction of this Court outlined in Rule 19-1(b).

III.

ARGUMENT

Although it was acknowledged in the post-trial brief filed on behalf of petitioner in the U. S. District Court that the question of validity was not an issue in the contempt proceedings (RI, p. 84), petitioner now controverts this ad-

mission and argues that he should have been permitted to relitigate issues determined in the consent decree prior to his intervention. This is the general substance of the petition, although the petitioner subdivides his argument for certiorari into the following three reasons relied upon for the writ:

> 1. Petitioner's intervention did not prevent him from relitigating issues determined by the previous consent decree.
>
> 2. The findings of the consent decree were not res judicata as to petitioner under the Iowa common law.
>
> 3. Petitioner was denied due process of law because he was not permitted to relitigate issues determined by the consent decree.

Considering these three reasons in order, it will now be shown that none thereof points to any error of the court below. Rather, the decision of the Court of Appeals in refusing to review en banc its earlier decision on appeal as well as the actual decision on appeal, are clearly supported by the applicable authorities.

A. Owen Siebring as intervenor accepted consent decree

The trial court permitted Owen Siebring to intervene "* * * because he may be liable if it is determined that Claude Siebring, the partner of Owen Siebring, has been infringing on the patent of the plaintiff. A partnership is liable in an action for infringement committed in the regular course of the partnership business by one or more of the partners. A manager of the partnership is a joint in-

fringer. *Featherstone v. Cycle*, 53 F. 110; *Trent v. Risdon Iron and Locomotive Works*, 102 F. 635; *Dean Rubber v. Killian*, 106 F. 2d 316, 42 USPQ 493 (8th Cir. 1939); *Walker on Patents*, § 436, Vol. III" (RI, p. 48).

Before the actual trial of the contempt matter, the U. S. District Court made it abundantly clear to the defendants there that the court considered the issue of validity to be res judicata, and would not permit the intervenor Owen Siebring to relitigate issues already determined by the previous consent decree (RI, pp. 93-96, 113-15, 123-24, 126). Pursuant to further requests by the defendants below, the trial court again outlined the estoppel effect of the previous decree in an order filed August 27, 1964 (RI, pp. 84-85). The trial court emphasized that Owen Siebring was allowed to intervene because he could be jointly liable for the plaintiff's damages if contempt was found, but that intervention for this purpose did not require or permit the intervenor to question the validity of the Hansen patent (RI, p. 85). As noted, the post-trial reply brief filed on behalf of the defendants Claude and Owen Siebring (RI, p. 84) even acknowledged that the question of validity was not an issue in the contempt proceeding; however, after the trial court's judgment was adverse to the defendant Claude Siebring and the intervenor Owen Siebring, Owen Siebring then changed his mind and decided that he should have been permitted to contest validity. Thus, the defendants appealed to the U. S. Court of Appeals upon the grounds that the defendant Owen Siebring should have been permitted to intervene for the purpose of relitigating the issue of validity already determined by the consent decree (essentially the same grounds asserted in support of the petition herein opposed).

Accordingly, we have a situation where the defendant Owen Siebring admitted in his post-trial brief filed prior to the trial court's decision that the question of validity was not an issue in the contempt proceeding (RI, p. 84), but having lost at the trial level, then deciding to assert on appeal the opposite argument that he should have been permitted to intervene for the purpose of relitigating the issue of validity. It was stated on page 68 of the appellants' brief before the U.S. Court of Appeals that defendant Owen Siebring did not resist at the contempt trial a course of action precluding reassertion of the defense of invalidity because a finding of noninfringement would have resolved all of the defenses which defendants had raised. The U. S. Court of Appeals for the 8th Circuit held that as a consequence of the intervention, Owen Siebring was required to recognize and accept the existence of the consent decree (346 F. 2d 474, 478, and appendix to petition, pp. A6-A7). This holding by the Court of Appeals is entirely in accord with previous decisions of the U. S. Supreme Court, as well as prior decisions of the 8th Circuit Court of Appeals. This rule which prevents an intervenor from attacking or impeaching previous court orders and decrees made prior to his intervention is often referred to as the subordination rule, since the intervention is in subordination to the previous proceedings to the extent that the intervenor may not go behind orders or decrees previously made by the court.

Mr. Justice Brandeis has stated the rule to be "that intervention will not be allowed for the purpose of impeaching a decree already made." *United States v. California Co-op Canneries,* 279 U. S. 553, 556, 49 S. Ct. 423, 424, 73 L. Ed. 838, 841 (1929). Accord, *Ex parte Jordan,* 94 U. S. 248, 252 (1876).

Accordingly, the intervenor Owen Siebring could not attack the prior decree and relitigate issues determined thereby to any greater extent than his father and the original party Claude Siebring. This is so notwithstanding the fact that the intervenor Owen Siebring signed the original settlement agreement, which incorporated the consent decree, as a witness for his father's signature as a party.

The effect of a completed intervention is to make the intervenor a party in the action; and like an original party, the intervenor is charged with notice of the prior proceedings and is bound by all orders and decrees therein to the same extent as an original party. *Rector v. U. S.*, 20 F. 2d 845 (8th Cir. 1927); *In re Veach*, 4 F. 2d 334 (8th Cir. 1925); *Commercial Electrical Supply Co. v. Curtis*, 288 F. 657 (8th Cir. 1923), cert. den. 263 U. S. 709; *Galbreath v. Metropolitan Trust Co.*, 134 F. 2d 569-570 (10th Cir. 1943), and cases cited therein; *State of Kansas v. Occidental Life Ins. Co., et al.*, 95 F. 2d 935, 936 (10th Cir. 1938); *Hartley Pen Co. v. Lindy Pen Co.*, 16 F.R.D. 141, 153, 102 USPQ 151 (S. D. Cal. 1954); 4 Moore, *Federal Practice*, §24.16, pp. 120-121; *7 Cyclopedia of Federal Procedure*, §§24.40-.41 (3d Ed. 1951).

In *Commercial Electrical Supply Co. v. Curtis, supra*, in affirming an order dismissing a petition for intervention, the Court stated at page 659:

> "It is the general rule that one who voluntarily intervenes in a suit in equity thereby becomes a party to this suit, is in the same situation, bound by the same orders and decrees, and subject to the same estoppel as though he had been a party from the commencement thereof" (citing cases).

In his petition, Owen Siebring complains of the lower

court's refusal to permit him to relitigate issues already determined by the consent decree prior to his intervention. Petitioner merely makes sweeping generalizations that the Circuit Court decided an important question of federal law which has not been settled by this Court, and further that the Circuit Court has departed from the accepted and usual course of judicial proceedings. However, the petitioner cannot cite any legal authorities which even remotely support his contentions. The case of *Formulabs, Inc. v. Hartley Pen Co. et al.*, 275 F. 2d 52 (9th Cir. 1960), referred to on page 8 of the petition, merely relates to the right of a licensor to intervene as party plaintiff, and has obviously nothing to do with the right of an intervenor to intervene for the purpose of contesting or relitigating issues already determined by a previous decree. Further, the authorities relied upon at the top of page 9 of the petition in support of the proposition that an intervenor may file a counterclaim, clearly lend no support whatsoever to the petitioner's argument that he should have been permitted to intervene for the purpose of contesting the prior consent decree. All of the authorities cited at the top of page 9 of the petition merely related to the right of an intervenor in a previously unlitigated case to file a counterclaim, and none thereof permitted an intervenor to assert a counterclaim for the avowed purpose of relitigating issues already determined in a prior order or decree.

In summary, the ruling by the trial court (order filed August 27, 1964, RI, pp. 84-85) that Owen Siebring's intervention was not for the purpose of permitting him to contest the validity of the Hansen patent already determined by the previous consent decree, was clearly in accordance with the applicable decisions of the U. S. Supreme

Court, as well as the various U. S. Circuit Courts of Appeal. Therefore, by his intervention, the petitioner Owen Siebring had to accept the provisions of the previous consent decree as a condition to his intervention, and he therefore entered this suit as an intervenor burdened with the finality of the issues already litigated by the prior decree.

B. Owen Siebring bound by estoppel of previous decree

The Court of Appeals below based its decision regarding the binding effect of the previous decree upon Owen Siebring principally upon his intervention binding him to accept all previous orders. Since the decision of the Court of Appeals on such issue of intervention has been shown to be in accordance with the applicable authorities, the second and third reasons presented in support of the petition are of no consequence. Owen Siebring's intervention binds him to the prior decree and precludes the other matters asserted in the petition.

However, forgetting such preclusion and replying to the petitioner's second reason for the writ, we come to the petitioner's argument that he was not bound by the consent decree because he was not a party to the agreement and was not restrained by the court's injunction. This argument was rejected by the Court of Appeals as lacking in substance, the Court stating in its decision reported at 346 F. 2d 474, 477-8, that:

> "* * * The facts are that Owen was a partner with his father in the Siebring business—he was active in its management, he was fully aware of the terms of the agreement forming the foundation for the consent decree, indeed he signed the agreement as a wit-

> ness to his father's signature, and at all times understood the import of the decree."

In connection with this second argument of petitioner, it is important to note that Owen Siebring was active in the suit prior to the settlement in 1959 and participated in settlement discussions with counsel concerning the case (R I, pp. 134-5). Therefore, at the time of the previous consent decree recognizing validity and infringement on the part of Siebring Manufacturing Company, the petitioner Owen Siebring was not only a partner with his father in Siebring Manufacturing Company, but he had actively participated in the litigation. Further, Owen Siebring recognized that *he was himself* enjoined by the consent decree and injunction from manufacturing the infringing feeders (RI, p. 135). Therefore, because of Owen Siebring's activity in the management of Siebring Manufacturing Company and his participation therein as a partner, his awareness of the terms of the settlement agreement and the consent decree, his signature as a witness to the settlement agreement, his understanding of the terms and importance of the consent decree, and his participation with counsel in discussions prior to the settlement, it is submitted that the prior consent decree entered against Claude Siebring doing business as Siebring Manufacturing Company, was res judicata and an estoppel against Owen Siebring.

The substance of the petitioners' second reason relied upon for the writ is that the Court of Appeals application of the consent decree as res judicata against him was contrary to Iowa common law (Pet., p. 9). Petitioner clearly fails to recognize that this was a patent case with exclusive jurisdiction in the federal court under *28 U.S.C.* 1338 (a). The petitioner's reliance upon state law is improper in

this case since it is clear that the doctrine of *Erie v. Tompkins*, 304 U. S. 64 (1938), has no application to non-diversity cases based upon jurisdictional grounds other than diversity. *Guaranty Trust Co. v. York*, 326 U. S. 99 (1945).

According to the federal common law, every partner has a fiduciary relationship with every other partner, and each partner is made jointly, and generally, severally, liable for the tort liabilities incurred by the other partners. *Hanson v. Birmingham*, 92 F. Supp. 33, 42, 43 (N. D. Iowa, 1950). The partnership is also liable and a manager of the partnership is a joint infringer. *Trent v. Risdon Iron Works*, 102 F. 635, 642 (9th Cir. 1900), modifying 92 F. 375, 390; 3 *Walker on Patents*, §436.

Further, Rule 17(b)(1) of the *F.R.C.P.* authorizes an action against a partnership, *Sperry v. Assoc. of American Railroads*, 132 F. 2d 408 (2nd Cir. 1942), and the original action in this case was commenced against Claude Siebring, d/b/a Siebring Manufacturing Company, so as to include the partnership for which Claude Siebring was the principal managing agent (RI, p. 159).

It is well settled that a prior judgment is conclusive and res judicata against parties and their privies, 1B Moore, *Federal Practice*, §0.411(1), and petitioner acknowledges that he would be bound by the consent decree if he was in privity with his father Claude Siebring. However, petitioner goes on to argue that he was not in privity with his father Claude Siebring if the determination of privity is based upon the successive relationship type of privity.

Petitioner applies a very narrow concept of privity and fails to recognize that there are three different relationships which will support a determination of privity so as to bind a non-party to a previous judgment. The presence of one

or more of the following three relationships is sufficient for a holding of privity in order to bind a non-party to a previous judgment: (1) concurrent relationship to the same right or property; (2) successive relationship to the same right or property; or (3) representation of the interests of the same person. 1B Moore, *Federal Practice*, §0.411(1), p. 1255. It is submitted that the relationship between Claude and Owen Siebring is such as to require a finding of privity under one or more of the above-noted three relationships.

With regard to a mutual or concurrent relationship to the same right or property, it is noted that petitioner Owen Siebring was a partner with his father in the business of Siebring Manufacturing Company, and he participated at least partly in the management of the company (RI, pp. 158-160). Further, petitioner Owen Siebring participated in the discussions relating to the settlement agreement and recognized that he was precluded thereby from manufacturing infringing bunk feeders (RI, pp. 134-5). Therefore, it is submitted that the relationship between the partners Claude and Owen Siebring was certainly a mutual or concurrent relationship or interest in the Siebring Manufacturing Company. Further, a mutual or concurrent action existed in the conduct of infringement as recited in the settlement agreement and decree.

As noted above, privity can also exist because of representation of the same interests, and using this criterion of a relationship of representing the same beneficial interests, petitioner Owen Siebring would be in privity with the original party Claude Siebring, d/b/a Siebring Manufacturing Company. The substantial identity relationship (representation of the same interests) was the basis for the decision

of privity in *Chicago, R.I. and P. Ry. Co. v. Schendel,* 270 U. S. 611 (1926). Under the *Schendel* doctrine, a judgment adverse to the original party will bind another if he appears in the suit to represent the interest of the same beneficiary who was represented by the original party in the suit in which the judgment was rendered. Recognizing that every partner of a partnership has a fiduciary relationship with every other partner, *Hanson v. Birmingham, supra,* there would be a substantial identity or privity relationship between petitioner Owen Siebring and the original party Claude Siebring under the doctrine of the *Schendel* case, *supra.* This is because petitioner Owen Siebring and Claude Siebring were representing the same interests in their participation as defendants in the suit. The original party Claude Siebring, in addition to representing his own interest in the partnership of Siebring Manufacturing Company, was representing the beneficial interest of the other partners in the partnership, the same as petitioner Owen Siebring was representing the beneficial interests of the other partners after his intervention.

Since a partnership agreement is in effect a contract of mutual agency, each partner is made jointly, and generally, severally, liable for the contractual obligations assumed and the tort liabilities incurred by the other partners in the course of, and within the scope of, the partnership business. *Hanson v. Birmingham, supra,* at p. 43.

Petitioner Owen Siebring would also be bound by the original consent decree because he was a participating non-party. *Souffront v. Compagnie des Sucreries,* 217 U. S. 475, 486-487 (1910). A participating non-party is often termed a privy, but it is the actual participation of the non-party which provides the basis for including him within

the scope of a judgment's conclusiveness. In view of petitioner Owen Siebring' participation in the original suit prior to the consent decree, including his presence at discussions with counsel concerning settlement (RI, pp. 134-5), there is sufficient basis for holding that the consent decree was binding upon Owen Siebring as participating non-party. See 1B Moore, *Federal Practice*, §0.411(6).

In summary, even if petitioner Owen Siebring's intervention did not bind him to accept the provisions of the consent decree (which of course it did), he would still be bound by and could not relitigate the provisions of the consent decree because of his privity with his father Claude Siebring as a party in the original action. The privity of Owen Siebring may be based upon his mutual or concurrent relationship to the same rights as those of his co-partner Claude Siebring, the original party, or upon the relationship of the original party Claude Siebring and the intervenor Owen Siebring as representing the same fiduciary interests as co-partners. Further, notwithstanding the above-noted relationships which point to a determination of privity, Owen Siebring should also be bound by the consent decree as a non-party participant because of his substantial connection with and participation in the suit prior to the decree.

C. No denial of due process

The third reason relied upon by the petitioner as a ground for issuance of the writ is the assertion that the petitioner was denied due process of law because he was not permitted as an intervenor to relitigate issues already determined by the consent decree. It is believed that this third reason was thrown in somewhat as an afterthought

by the petitioner and impliedly recognizes the weaknesses of the first two reasons for the writ asserted by the petitioner.

Petitioner at no time asserted the due process argument as a part of the appeal to the U. S. Court of Appeals for the 8th Circuit, or as a part of the printed petition for rehearing by the Court of Appeals denied on June 28, 1965, a review of which is sought by the petition herein opposed.

It is certainly too late for the petitioner Owen Siebring to now assert that he has been denied due process of law. Petitioner's intervention was a deliberate, calculated, advised, and entirely voluntary entry in this case with its previous adjudication. He knew, or should have known, that his intervention in a suit where there was an existing consent decree would bind him to accept the provisions of that decree. Petitioner had his due process when he moved to intervene in a proceeding where there was an existing decree. Before Owen Siebring moved to intervene, he was fully aware of the terms of the settlement agreement which he witnessed and which formed the basis of the consent decree, and he understood the import of the decree and recognized that he was enjoined from further infringement (RI, pp. 134-5). Not only is the petitioner's assertion of a lack of due process precluded because of his relationship to the previous action sufficient to create an estoppel by judgment, but the petitioner's intervention was also a deliberate move in subordination to the previous proceeding and the consent decree entered therein.

Therefore, having entered this suit voluntarily and with full knowledge of the existence and import of the previously entered decree, petitioner cannot now at this late date complain that his own actions were a denial of due process.

IV.

CONCLUSION

None of the reasons asserted by petitioner point to any irregularity or error of the Court of Appeals in its decision which is sought to be reviewed. To the contrary, the decision of the Court of Appeals for the 8th Circuit, including its denial of a petition for rehearing, is in complete accord with the prior applicable decisions of this Court and other U. S. Courts of Appeal. Accordingly, the petition should be denied.

Respectfully submitted,

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965.

No. 609

OWEN SIEBRING,
Petitioner,

vs.

CHARLES W. HANSEN and AFSCO, INC.,
Respondents.

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF

I. Comment on the Vital Question upon Which Respondents Are Completely Silent and Which the Lower Courts Have Failed to Answer.

The opinions below and the brief of respondents say much about the issues of *res judicata,* partnerships and intervention, but none of the statements made ever comes face to face with a burning question that confronts this Court: "How can a consent decree agreed to by one partner be in any way binding on a second partner not a

party to the action, when the consent decree serves to divest the second partner of a personal property right?" Petitioner, Owen Siebring, the second partner, claimed to be the joint inventor of United States Patent No. 2,867,314, the patent involved in the original litigation. His ownership of the rights to this invention did not belong to the partnership or to the defendant partner, Claude Siebring. The rights to this invention were property rights and they were personal to him and not of the partnership. Yet, these personal property rights of petitioner Owen Siebring have been taken from him, and he has been held in contempt of court for infringing a patent of which he claims to be a joint inventor—and he has never had his day in court to have his joint inventorship adjudicated. Respondents argue that petitioner has not been denied due process of law, but there is no logic or judicial precedent which suggests that petitioner Owen Siebring has been granted due process of law by having this property right taken from him when he has not been permitted to assert his rights in any court of law.

II. The Trial Court Deferred the Issues of Validity and Joint Inventorship to a Subsequent Proceeding; and Then in a Change of Position, Refused to Permit Any Subsequent Proceeding to Hear These Issues.

Respondents repeatedly state[1] that petitioner recognized that the contempt hearing would not involve the issue of validity; and respondents then imply that petitioner's urging of this defense is an after-thought that was developed after contempt was found. Respondents' appraisal of this position is in error. The defenses of patent invalidity and joint inventorship were raised by the pleadings well in

1. Respondents' Brief, pp. 4, 6 and 7.

advance of trial.[2] The trial court simply stated[3] that it

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2. (1) HISTORY OF THE RESISTANCE TO THE MOTION FOR CONTEMPT.

The original resistance to the motion for contempt was filed February 19, 1962 (R1, 23), and included substantially a general denial of the motion.

A substituted resistance to the motion for contempt was filed May 8, 1962 (R1, 29), and in addition to the defense of non-infringement, the defenses of invalidity because of prior patents, because of prior public use of the invention, and because of joint inventorship with Owen Siebring were set forth in paragraphs IV A, B, and C, respectively (R1, 29-30). A further defense of intervening rights was set forth in paragraph VII (R1, 31-32).

Owen Siebring's answer as intervenor filed February 12, 1963 (R1, 36), contained the same defenses as Claude Siebring's substituted resistance filed May 8, 1962 (R1, 29).

On February 12, 1963, Claude Siebring filed a further amended resistance to the motion for contempt (R1, 43), which merely added additional prior art patents to paragraph IV A of the substituted resistance which had been previously filed on May 8, 1962. This amended resistance of February 12, 1963, also added a new instance of public use to the previously filed resistance.

On March 12, 1963, the defendants filed an application for leave to amend the resistance to file a counterclaim (R1, 49). This application merely sought to add a counterclaim to the defenses which were already before the Court in the previously filed resistances to the motion for contempt. The proposed counterclaim (R1, 54) was filed under the declaratory judgment statute (Title 28, U.S.C., Section 2201) and alleged infringement of two auger conveyer patents Nos. 2,745,381 and 2,801,610. The counterclaim also requested (R1, 54c) that the Court adjudicate in this action the entire controversy as to the auger conveyers of the plaintiffs and defendants.

Thus, as the contempt matter went to trial on March 14, 1963, all of the defenses ever alleged by the defendants were of record and before the Court, and the only remaining and uncompleted act was for the court to determine whether or not the resistance could be further amended to add a counterclaim thereto.

(2) HISTORY OF DEFENDANTS' MOTION FOR RELIEF UNDER RULE 60.

The original motion for relief from judgment was filed by defendant, Claude Siebring, on May 8, 1962 (R1, 35, 36), and this motion was based on a first grounds that the decree and writ of injunction were void, having been based on a settlement agreement which allegedly was unenforceable because of the illegality thereof flowing from the fact that Owen Siebring should have been a co-inventor with plaintiff Hansen in regard to patent No.

would take up only the "colorable imitation" issue at that hearing and the remaining issues would be entertained at a subsequent time. With the indication from the court that the remaining issues could be heard subsequently, peti-

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2,867,314. A second grounds alleged that it was no longer equitable that the prior judgment should have prospective application because of the circumstances under which the settlement agreement was consummated, including the advanced age of Claude Siebring, and defendants also alleged possession of evidence overwhelmingly indicating the invalidity of the patent.

On March 12, 1963, the defendant, Claude Siebring, and the intervenor-defendant, Owen Siebring, filed an amended and substituted motion for relief from judgement (R1, 54) which reiterated the grounds outlined above and added the grounds of invalidity of the patent because of certain prior art patents and certain prior instances of public use. The amended motion also alleged that defendants had a prior right to their devices through certain patents they had acquired, these being the same patents which plaintiffs were accused of infringing in defendants' proposed counterclaim.

This was the state of defendants' motion for relief from judgment when the contempt matter went to trial on March 14, 1963.

3. At the commencement of the hearing on the contempt matter on March 14, 1963, the Court made the following general comments in regard to the manner in which it was going to consider the issues of the controversy:

(R1, 94)

"In any event, there has been some complaint made that it is a piecemeal proposition. Patent cases sometimes become complicated and longer than necessary."

* * *

(R1, 95)

"The Court is only interested in orderly process. The orderly process in this cause would appear that this Court first pass upon the question of whether there is a question of substantial difference or merely colorable difference. That this Court should not engage in other matters until he disposes of this matter. Now the Court is familiar with those other matters. This Court is interested first of all in the contempt matter and the burden of proof in this instance will be expected to strongly rest upon the plaintiff as to the matter of infringement. As to the matter of validity of the patent, which might arise in some subsequent proceeding, the burden will shift."

* * *

tioner was content to proceed with the contempt hearing without the issue of validity being presented at that time, and petitioner was further content to wait for the court to subsequently rule on the motion for relief from judgment and the application for a declaratory judgment counterclaim. It was some sixteen months later on July 30, 1964, in this seemingly orderly atmosphere that the trial court created what proved to be a procedural bombshell for petitioner by entering a final judgment and order on the contempt issue without first taking up the remaining issues. The petitioner and the defendant, assuming that the Court had forgotten or overlooked its previous indication that the other auxiliary issues could be raised "at such time as necessary" (R1, 114), filed a motion under Rule 60 (R1, 82) to vacate the Court's order and judgment until such time

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"The first process the Court expects to consider is the matter as it involves the question of contempt. The Court will take a submission on that matter and will determine that."

(R1, 114)

"The Court: Airight. Just so we understand, the Court in substance has taken this matter of some aspects piecemeal as he believes he should. The Court doesn't want to indicate that he won't terminate these proceedings insofar as consideration of this element of the case as soon as the matter of the question of infringement is determined."

"Mr. Eidsmoe: Well, if I may say so, your Honor, we believe once the Court considers the element of infringement there will be no need to go into the second aspect of it."

* * *

"Mr. Eidsmoe: Well, if it please the Court, we do intend to introduce evidence as to the validity of the decree as part of our defense to the motion for contempt. We contend that a void decree cannot be used as a basis for a contempt action, particularly against the intervenor and for other reasons against the defendant."

"The Court: The Court will hear you at that time. At present, as I view the law with relation to this, perhaps there may be some question as to whether or not it will proceed. The Court is not foreclosing the presentation of this problem, but the Court will cross that bridge at such time as necessary."

as the other issues pertinent to the matter had been determined. Petitioner also reminded the Court that it had not yet ruled on the original motion for relief from judgment (R1, 35) filed over two years earlier on May 8, 1962, and as amended sixteen months earlier (R1, 54d) on March 12, 1963. The trial Court filed an order on August 27, 1964 (R1, 84) and indicated that this motion had been ruled on at the contempt hearing. However, a thorough examination of the trial proceedings (R1, 92-199) reveals that neither the Court nor counsel for either of the parties addressed themselves to this motion under Rule 60, or to the application for the Declaratory Judgment Counterclaim.

So, for whatever bearing it may have on the instant petition, the Supreme Court should be absolutely aware that, contrary to the assertions in respondents' brief, the petitioner has never relaxed his insistence that the issues of validity and joint inventorship should be considered.

III. Respondents Fail to Establish Their Assertion That No Federal Question Is Presented.

Respondents assert at page 4 of their brief that petitioner has failed to present a federal question which may be reviewed by this court, but nothing follows in the remaining portions of the brief to establish this assertion. Respondents did argue at the bottom of page 11, *et seq.*, that petitioner's status as a partner with the defendant should not be determined by the common law of Iowa, but rather, this matter should be considered according to "federal common law." It would seem that respondents agree, to this extent at least, that a federal question is involved here. But most importantly, respondents do not deny that the question presented by this appeal does involve the nature of the rights of an intervenor under Federal Rule 24, and this is the federal question asserted in petitioner's first grounds in support of the petition for certiorari.

Moreover, respondents devote pages 5-10 of their brief to the argument that petitioner's rights as an intervenor under federal law were properly considered by the lower courts.

There is a serious question of federal law involved in this controversy, and that is whether or not an intervenor as a mere consequence of his intervention, is unable to assert defenses that the original defendant either does not have or cannot assert. The lower courts have decided this question affirmatively, and Federal Rule 24 on intervention has therefore been seriously diluted.

IV. Contrary to Respondents' Assertions, There Is No Evidence That Owen Siebring Assented to or in Any Way Affirmed the Settlement Agreement or Consent Decree.

Respondents endeavor[4] to create the picture that petitioner was a willing and cooperating force that brought about the original settlement agreement and consent decree, but there is no evidence to support this assertion. The settlement agreement and consent decree were entered into by the original defendant, Claude Siebring, who was the iron-fisted eighty-year old patriarch of the family business. Claude Siebring settled the original action primarily because of his advanced age of eighty years, and because he did not wish to jeopardize his health by prolonged litigation (R1, 55). The settlement agreement was entered into against the express advice of counsel (R1, 55). The fact that petitioner may have been present at some of the settlement negotiations does not mean that he favored settlement, nor does his signature as a witness signify any similar intentions. The petitioner's counsel also was present at the settlement negotiations, and also signed the papers of settlement, but defendant's counsel expressly advised against the transaction (R1, 55).

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4. Respondents' Brief, p. 11.

The relationship of petitioner Owen Siebring to the consent decree must be determined according to the Iowa law pertaining to these matters, and not according to mental state of the petitioner at the time of settlement which respondents have endeavored to re-create from totally insufficient evidence.

V. Comment on United States v. California Coop Canneries Case.

Respondents quote Mr. Justice Brandeis in *United States* v. *California Coop Canneries*, 279 U.S. 553, 556, 49 S. Ct. 423, 424, at page 7 of their brief to the effect that intervention will not be allowed for the purpose of impeaching a decree already made. The point missed by this assertion is that petitioner Owen Siebring *was* permitted to intervene by the trial court, and his asserted grounds of intervention were not directed to the impeachment of a decree, per se, but were directed to the assertion of his rights and defenses as contemplated by Rule 24. A third party stranger who was not possessed of petitioner's rights (and liabilities) perhaps could not have intervened for the express purpose of impeaching the decree. But petitioner himself, through his property interest in the assets of the partnership, was placed in a possible position of jeopardy by a possible finding of contempt against his father and partner, Claude Siebring. Thus, petitioner intervened under the express provisions of Rules 24(a) and 24(b), not for the sole purpose of impeaching a decree, but for protecting his rights and asserting his defenses, both of which are contemplated by Rule 24. Moreover, the trial court permitted petitioner to intervene after petitioner had fully disclosed the defenses of invalidity and joint inventorship (R1, 48), and the intervention was permitted without limitation or comment as to the defenses raised in petitioner's answer. In this regard, even the respondents did

not move to strike these defenses under Rule 12(f) and their objection to these defenses at the appellate level are certainly belated and waived under the provisions of Rule 12(h) which provides that: "A party waives all. . . . . objections which he does not present either by motion. . . . . or. . . . . in his answer or reply, ..."

Thus, petitioner was not permitted to intervene merely to impeach the decree, but he was permitted as a matter of right to intervene to protect his rights under the conditions contemplated by Rule 24 in full light of his defenses of invalidity and joint inventorship. Neither the trial court nor respondents imposed any limitation on the intervention at the time that intervention was ordered, and even respondents do not assert that intervention was improper. But Rule 24 has now been substantially diluted by stripping the intervenor of his defenses after permitting him to intervene without limitation (and without objection from respondents); and justice has not been served by then finding the intervenor guilty of contempt without fully giving him his day in court.

VI. Respondents Do Not Dispute That Petitioner Was Not Bound by the Consent Decree under Iowa Law, But Respondents Argue Merely That Iowa Law Is Not Applicable under the Doctrine of Erie v. Tompkins Since Jurisdiction Arises by Federal Statute Rather Than by Diversity of Citizenship.

Respondents do not question petitioner's allegation that he was not bound by the consent decree under Iowa law, but they argue at pages 13 and 14 of their brief that this question must be settled by "federal" common law. Respondents cite *Guaranty Trust Co.* v. *York,* 326 U.S. 99 (1945), as authority for not applying the doctrine of *Erie Railroad Co.* v. *Tompkins,* 304 U.S. 64 (1938), in cases where jurisdiction does not arise because of diversity of

citizenship. The *Guaranty Trust* Co. case simply does not support this proposition, but rather, Mr. Justice Frankfurter merely conveyed the rule that state rights or state law cannot have dominance over any right conferred "by the Constitution or laws of the United States."[5] Thus, no state law or precedent could impair the intent of the patent statutes on a question specifically involving these statutes, but the mere existence of jurisdiction based on federal law rather than diversity does not open the floodgates of universal *stare decisis* on issues not germain to the federal laws, particularly when the law relating to the issue in question has been authoritatively declared by the state. As Mr. Justice Frankfurter stated at 326 U.S. 112, in the *Guaranty Trust Co.* decision, *supra*:

> "Whenever that law is authoritatively declared by a State, whether its voice be the legislature or its highest court, such law ought to govern in litigation founded on that law, whether the forum of application is a State or Federal Court and whether the remedies be sought at law or may be had in equity."

The lower courts should have held that under Iowa partnership law, a partner not a party to litigation is not bound by an action against either the partnership or another partner. *Anderson* v. *Wilson*, 142 Iowa 158, 120 N.W. 677 (1909). Respondents do not even challenge this import of Iowa law, and they submit no authority, state or federal, which would permit one partner to dispose of another partner's personal property (petitioner's rights as a joint inventor) in an action where the other partner was not a party.

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5. See footnote 4 at 326 U.S. 107.

Conclusion

In conclusion, respondents have totally failed to overcome petitioner's first grounds urged for issuance of a writ of certiorari, namely, that it was error for the lower courts to hold that "as a consequence" of the intervention, per se, petitioner could not assert any defense not available to the original defendant, Claude Siebring. In addition, respondents have failed to establish that this issue does not involve a serious question of federal law.

Respondents have failed to show that Iowa law should not have been applied to determine petitioner's status as a partner under the consent decree, and respondents do not even challenge petitioner's position that under Iowa law, petitioner would not have been bound by the decree.

Lastly, respondents have not established that petitioner was granted due process of law, and more specifically, respondents do not even argue that petitioner received due process of law when the effect of the lower courts' decisions is to allow petitioner's partner and father to divest petitioner of his personal property rights as a joint inventor through a consent decree when petitioner was not a party to the action.

It is submitted that grievous error has been wrought in the courts below, and because of the widespread impact of the decisions of the lower courts, particularly in regard to Federal Rule 24, this petition should be granted.

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